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The AMERICAN OBSERVER

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A free, virtuous and enlightened people must know well the great principles and causes on which their happiness depends. — James Monroe



VOLUME III, NUMBER 1

WASHINGTON, D. C.

SEPTEMBER 6, 1933

Labor Makes Gains Under N.R.A. Codes

Law Guarantees to Workers Right to Organize Themselves for Collective Bargaining

SPURS TRADE UNION MOVEMENT

But Organized Labor Insists That Movement Does Not Yet Go Far Enough

Labor Day has come again with all the usual outward forms of celebration. Parades will be formed in the streets today. Bands will be playing and orators will declaim about the dignity of labor and of its place in the national life. Labor leaders will recount the benefits of organization among workers, and people everywhere who are interested in the common welfare will be casting up accounts to see how the working population is faring, to speculate upon the number who are being reemployed, and to discuss the future of those who work in the ranks of labor.

But this year the day takes on a new significance. The whole country has been waiting for this holiday because the people have been hearing that by Labor Day we could tell how the National Recovery Act has been working. They have been told that several million men would be reemployed by that date. The day has been set somewhat arbitrarily as the time by which the great recovery movement would be in full swing. There is another reason why Labor Day means more this year. It comes at a time when the workers of the country are being deeply affected by a new and almost revolutionary measure—the National Recovery Act. That they are being affected deeply no one denies, but the exact nature of the changes which the recovery act will bring to labor is not known. There is much confusion about what the relations of workers and employers will be and what the relations between the workers and the government will be.

Impersonal Employers

It would be well, then, if on this Labor Day we were to study some of the labor problems which the inauguration of the NRA movement has brought to the surface. First, let us glance at the human forces which are sometimes opposed in the relations of capital and labor. The employer is, of course, one of the chief characters in the great play of forces. Who are the employers of the nation and what is their attitude toward workers?

For the most part, employers are corporations. There are many individual owners of property—men owning and managing small shops each employing a few workers. But a small fraction of the country's business is done that way. Most of it is done by great business organizations. The great army of workers in this country is employed by corporations.

This is a significant fact. It affects the relations between employer and employee, for in the case of a corporation the men are not dealt with by the owner. There is no single owner. There are thousands of owners. They are called stockholders. The United States Steel Corporation, for example, had, in December, 1929, 182,585 owners. The American Telephone and Telegraph Company had nearly half a mil-

(Concluded on page 7)



—Darling in N. Y. HERALD-TRIBUNE
OUR MOST PERSISTENT HANDICAP TO PROGRESS

The Common Good

Security is a goal of life that appeals to everyone. We all want to be safe. We crave protection from "the slings and arrows of outrageous fortune." What abiding satisfaction it would give us if we could but know that, provided we played the game of life honestly and fairly, we could be assured that we could always find work to do and hence an accepted place in the economic life, that in case of illness we and our families would have proper care, that old age would be provided for, that our children would be educated, that we would be free from the destruction wrought by crime and war! The fruits of security are so greatly desired that ambitious and far-seeing people will surrender everything else in order to obtain them. We make money, if we can, and put it aside. We are saving it for the traditional rainy day. But most of us are doomed to disappointment. Very few men or women are sure of their jobs. If they are lucky they will hold their places. That is all they can say. In that case they will get along very well unless serious illness or some other of life's hazards should overtake them. If the hazards are avoided and savings are put aside they are almost certainly wiped out at some time by one of the periodical depressions which are characteristic of our economic order. The upshot of it is that the average man is not secure and he knows it. This makes him anxious. It renders him eager to possess money. It causes him to neglect the pursuit of truth, beauty, goodness. It makes him a materialist. It dwarfs his idealism. The fruits of that "rugged individualism" which teaches each man to save himself are bitter indeed, for, by selfish absorption with his own salvation a man cannot save himself. And so we are beginning to understand that we save ourselves by coöperating with others in the building of a safer society. If we can adjust consumption and production, thus avoiding depressions; if we can establish a banking system that will insure the safety of savings; if we can develop plans for sickness, accident, and old age insurance; if we can check crime and prevent war—if we can do these things, we will have security. Those who play the game fairly, then, will be safe. Freed from haunting anxiety about physical needs they can give thought to the spiritual and artistic hunger which now finds such scant satisfaction. Is it idle to dream of a society that gives security to its members and thus encourages the pursuit of higher ideals? A few years ago one might have said all this was folly. But today there is real hope. The forces of progress are on the march. There is a new faith in the power of man to save himself through coöperative effort. America faces a new day. Let us fall in line with the movement to insure the safety of all through devotion to the common good.

Control of Austria Occupies All Europe

German Nazis Conduct Intensive Campaign to Bring Vienna Government under Hitler Flag

POWERS UNITE TO BLOCK MOVE

Italy and France Take Lead in Drive to Prevent New Austro-German Union

Trouble is brewing between Austria and Germany. The fires have been smoldering for months. Now and then they have burst into a flame as some incident has stirred the anger of the two peoples as one did early in the summer when a member of the German Reichstag, whom Hitler had sent to Austria as a special press representative, was expelled from that country. There was another surging of resentment when, in retaliation, the Austrian press representative in Berlin was sent home. Not long ago there was anxiety throughout the world when the French and British governments made a formal protest to Germany concerning the carrying on of alleged German schemes against the Austrian government, and when Hitler hotly replied, in effect, that this was none of their business. Will these smoldering fires break out sometime into a conflagration which will engulf the world? This question has thrust itself into the minds of many observers of international affairs during the last month or so as they have followed the course of events in Central Europe.

Austria's Weakness

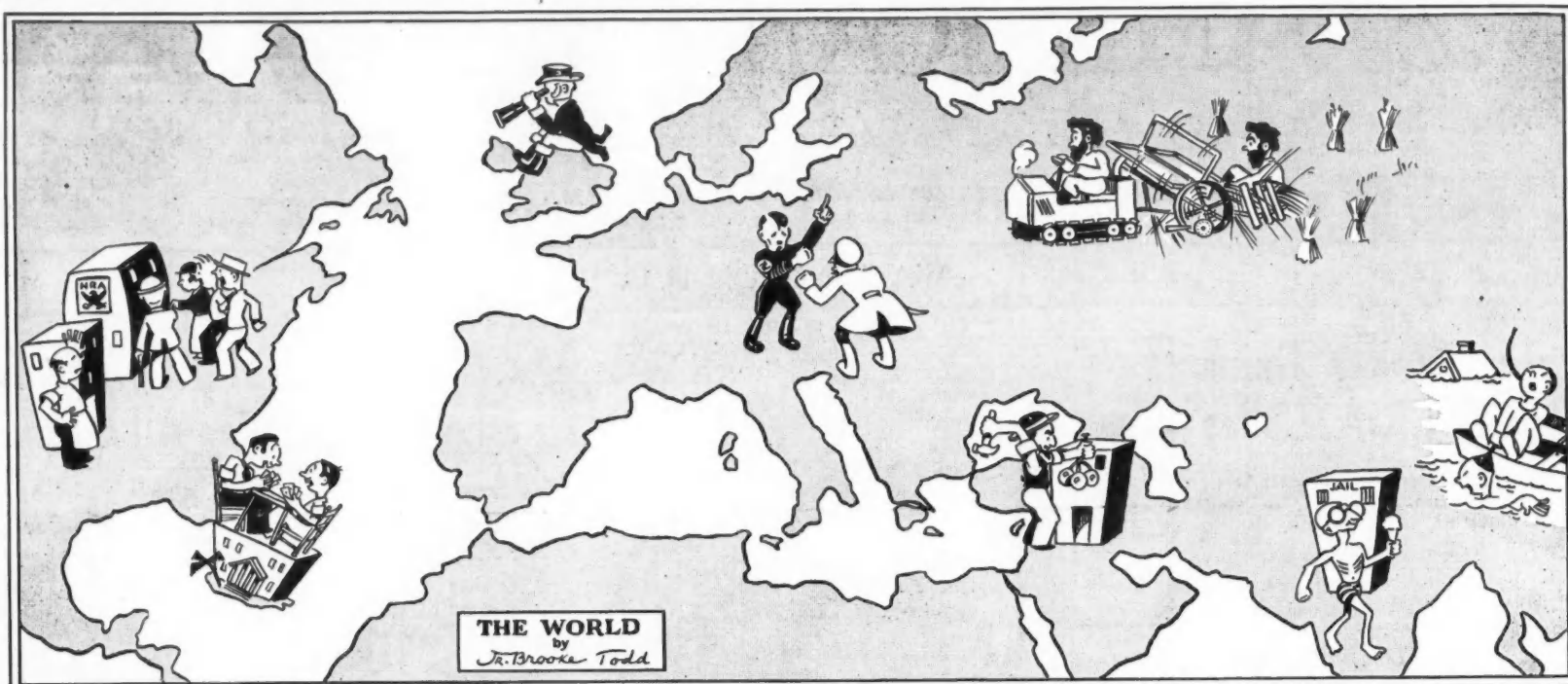
A good way to begin a study of the Austro-German situation is to examine a map of Austria and the neighboring states—such a map as you will find on page three. Here we see Austria as she is today and as she was before the war. She has been shorn of most of her territories, of her population and her products. The people who live in this remnant of the once proud Austro-Hungarian Empire find themselves shut off from the markets upon which they used to depend. They are shut off from the wheat fields of Hungary, from the coal mines of Bohemia, now a part of Czechoslovakia, from the livestock of the provinces to the south which they have lost. It is hard to obtain food and raw materials for their industries, and it is hard to find a market for the manufactured articles which they produce, because high tariff walls have been drawn through the heart of the former empire, and these tariff walls are strangling the little state of Austria.

Demand for Union

What is more natural, then, than that these Austrian people, most of whom are German in blood and language, should seek a union with Germany, their strong neighbor to the north? Could the Austrians not sell their products, then, and might they not get their materials from Germany? Should we not expect Austrians and Germans, who were allies in the World War and who were losers together through defeat, to stand together now as friends, rather than to glare across the national frontiers as potential enemies?

As a matter of fact, the idea of Austro-German union has danced in the minds of both Germans and Austrians, but unfortunately for the realization of this dream,

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AROUND THE WORLD WITH THE AMERICAN OBSERVER CARTOONIST
Find the explanation of each pictured event somewhere in this week's paper.

a union is forbidden by the war treaties. France, victor in the war, and the new nations which came into existence as a result of the war, do not look with favor upon the enlargement of German territory and power. If Germany and Austria should unite, it might well be that there would develop a Germany stronger than the Germany of pre-war days. And so the nations which defeated Germany in the war not only forbade the union of the two central powers, but they refused even to allow the Germans and Austrians to form a customs union, breaking down economic barriers between those two countries. This customs union was undertaken two years ago but was forbidden by the war victors on the ground that it would mean, in effect, the joining of the two nations.

Enter, Hitler

So things stood a few months ago—Germany wishing eventually to absorb Austria, and Austria willing and even anxious for the union. But now the picture has changed. It has not changed so far as Germany is concerned. Herr Hitler, chancellor of Germany, leader of the Nazis, is anxious to bring about a great Germanic union. The Nazis came to power about the same time that President Roosevelt assumed the reins in Washington and while he was inaugurating a New Deal here, they were doing the same for Germany. They have overthrown the old government and established a dictatorship. They are undertaking to remake the German nation. They have planned to throw off the burdens imposed upon Germany by the peace treaty and to reestablish the old-time glory of the German Empire. They have inspired among the Germans a tremendous enthusiasm similar to that which prevails in a nation in time of war. A uniting of German peoples into a larger and stronger nation fits into this Nazi dream of Germanic glory. Furthermore, Chancellor Hitler, who is having plenty of trouble leading his people out of depression into the promised land of prosperity, would like to divert their attention from their troubles at home by a brilliant stroke of foreign policy which would enlarge the domain of the Fatherland.

The first step toward this conquest of power is the conversion of the Austrians to Nazi principles. If there should be a Nazi revolution in Austria similar to that which occurred last March in Germany and if, as a result, there should come to power in

Vienna a political power similar to that which holds the reins in Berlin, and if the Austrian government should look to Hitler as an ally and a leader, then the absorption of Austria would be an easy matter.

Austrian Opposition

But the conversion of Austria to the principles of the Nazis has not proved an easy matter. Many of the Austrians are, indeed, Nazis. The Nazi creed appeals to high-spirited young men, and many of them are willing to take the Swastika, emblem of the German Nazi movement, as their own. These young men dream of a reinvigoration of Austria and of the establishment of a mighty Germanic power in Europe. They think, too, that economic salvation lies along that road. And so they have developed a strong party. Some say that a majority of the Austrians are now Nazis. Others deny it.

However that may be, the government of Austria is dominated by men who oppose the Nazi program—who oppose it so strongly that they have turned their backs against union with Germany. Many of the workers oppose the Nazis because Hitler has crushed labor unions in Germany, has outlawed both the Communist and the more moderate Social Democratic parties and has imprisoned the leaders. The Austrian Jews naturally fight against the growth of Hitler's influence in Austria because of what has happened to the German Jews. Furthermore, most Austrians

are Catholics and those who are strong in the faith are likely to fight against the new German influence because of the restrictions which Hitler has placed on Catholics in Germany. And there is another reason why many Austrians oppose the Hitler designs. The Austrians who heretofore have favored union with Germany have done so with the expectation that, in case of union, Austria would have a large measure of self-government. German states, such as Bavaria, have had it. Germany has been a federation of states independent in the handling of their local affairs, and it was this kind of union that the Austrians have been thinking about. But since Hitler came to power last spring, local self-government has, to a considerable extent, been abolished, and the Germans of Bavaria and of the other German states are governed by central authority. Many Austrians will oppose bitterly absorption into Germany under terms which will render Austria a mere province.

So this is the situation, so far as Austria and Germany are concerned. The German Nazis, in complete control of their own government, are trying to strengthen the Nazi element in Austria. They deliver radio addresses in Munich (München) and other places near the border with the intention that these addresses shall be heard by the Austrians and that a movement against the Austrian government may be encouraged. They send inflammatory literature to Austria. The Austrian gov-

ernment, headed by Engelbert Dollfuss, a dynamic young man less than five feet in height, has outlawed the Nazi party just as Hitler in Germany has outlawed the Social Democratic, the Communist and Catholic parties. Feeling runs high and along the border there are frequent disturbances of the peace.

Foreign Interests

Now let us glance at the foreign situation. France, as we have said, opposes Austro-German union and so she is supporting Chancellor Dollfuss in his opposition to Hitler. France dominates Europe in a military way because she has a strong army herself and is allied with Poland, Czechoslovakia, Rumania and Yugoslavia. All these states oppose any shifting of national lines. They want to keep intact the territorial arrangements made in the Treaty of Versailles because it is to the treaty that they owe their lives.

Italy, a deadly rival of France, finds herself in this case aiming at the same goal as does France. She opposes Austro-German union, or the domination of Austria by Germany, because she herself has aspirations to gain power and influence in Central Europe. She would like to alienate Yugoslavia from France. She has a close understanding with Hungary. Her ambitions in Central Europe would be seriously threatened if the mighty German nation should extend her power to the very doors of Italy.

Great Britain is considerably less affected by what is going on in Central Europe than France and Italy are, but the English people do not like Fascism. They do not like dictatorship. They are suspicious of German militarism. They think the expansion of German power may lead to another war and so they line up with France and Italy. Great Britain and France have formally protested to Germany against German propaganda in Austria and have been snubbed for their pains. Italy has made a separate protest and has been treated more gently by Hitler because the German dictator admires Italian dictatorship and would like to be friends with the Italians. Meanwhile, France has become incensed over the attitude and behavior of Germany. Premier Daladier on August 27 flatly warned the Hitler government that France would unhesitatingly support the independence of Austria, hinting that armed force will be used if necessary to insure the carrying out of the treaties. And so things stand as the summer ends.



CAPITOL OF EUROPE'S LATEST DANGER ZONE

Vienna, focal point of Austrian independence which Germany is trying to compromise. To the left is the parliament building.

© Ewing Galloway



REAT optimism pervades the nation as a result of President Roosevelt's recent declaration that the recovery program is bringing the country back to better times. Speaking last week on the Vassar College campus at Poughkeepsie, New York, Mr. Roosevelt said: "There is a unity in this country which I have not seen and you have not seen since April, 1917, by which the American people are getting together behind the spirit of the NRA . . . We are definitely succeeding in this purpose and the downhill drift of America has definitely turned and become the upward surge of America."

Since his inauguration, President Roosevelt has been extremely cautious in making optimistic predictions. For this reason his recent declaration is very hopeful. He was wildly acclaimed when he told his audience that permanent changes for a better society are now taking place. He said: "It is also true that the people, through government, are extending as a permanent part of American life—and not just for one year or two years—they are extending their insistence that individuals and associations of individuals shall cease doing many things that have been hurting their neighbors in bygone days."

Woodin Back in Picture

Last week Secretary of Treasury Woodin was called to Hyde Park, New York, by President Roosevelt to discuss the government's financial policies. It was decided that no inflationary measures, such as expansion of the currency or lowering the gold content of the dollar, would be adopted at the present time. Nevertheless, it was made clear that the administration will hold inflation in readiness if commodity prices start slipping. The farmers must continue to get at least the prices now prevailing for their products, contends Mr. Roosevelt, and eventually these prices must be raised to even higher levels.



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SECRETARY
WOODIN

Gandhi Wins Again

After being released from prison last week, Mahatma Gandhi said that while he would never check his efforts to obtain independence for his people, he would for the present, at least, postpone his tour of India to preach the gospel of civil disobedience. It was the announcement of this tour several weeks ago that led to the Mahatma's arrest. He and thirty of his followers had planned to visit all India, urging the people not to obey British laws and to boycott British goods. When in prison, Gandhi began another of his famous fasts. At the end of a week he was in an extremely weakened condition. The British released him because they were afraid that if death should overtake him the masses of India might rise up in revolt.

New Deal for Cuba

President de Cespedes has become a great hero among Cubans. After only a few weeks in office he has abolished all the objectionable laws which were enacted by the Machado régime and which removed nearly all vestiges of democracy from the Cuban people. All judges of the Supreme Court who were appointed after 1929 have been removed, as most of them were former President Machado's henchmen; the decree which Machado issued giving the chief executive dictatorial powers has been revoked, and general elections have been called for February 24, 1934.

Since President Machado has been de-throned, hundreds of Cubans whom he exiled are returning to their country. They are being met on the way by Cubans who are being driven out of the island because they were affiliated with the Machado régime. What a temper these Cubans do have!

Thousands Die in China

The Hwang Ho River, in China, is active again. From the beginning of history this river has refused to lie in one bed. And when it changes its course, wide-scale destruction follows. Whole towns and villages are destroyed. Thousands of lives are taken.

That is what is happening now. It is estimated that more than a million Chinese families have had to flee from the river's

vicinity, and in many cases these families waited too long to escape death.

Moley Resigns

When Raymond Moley, leading member of the president's brain trust, turned in his resignation as assistant secretary of state, on August 27, it marked the end of a feud between him and his chief, Secretary of State Hull. The policies of these two men have been in conflict from the beginning of their terms in office. But the real break came at the World Economic Conference.



© Acme
RAYMOND
O. MOLEY

After Secretary Hull and the other American delegates had been at the conference for several weeks, Mr. Moley was sent to London by President Roosevelt. His aggressive manner did not take well with Mr. Hull. Besides, he inclines toward the belief that the United States should go her own way, disregarding foreign economic relations, while Mr. Hull is a firm believer in international trade relations.

Although Secretary Hull denies that he requested Mr. Moley's resignation, it was clear when the two men returned from Europe that their feelings toward each other were such that President Roosevelt would have to decide which one he cared to retain in office. As a preliminary easing of the tension, the president, in fact though not technically, removed Mr. Moley from the State Department and shifted him to a survey of kidnapping and racketeering for the Department of Justice. His wide experience in crime studies made him a good man for this task.

Last week, however, Mr. Moley decided to resign. He and the president are on the best of terms and Mr. Moley plans to continue his support of the recovery program by writing for a new weekly magazine soon to be launched by Vincent Astor, who is also a close friend of the president.

Another Nazi Victory

The Junkers, or big landowners, of East Prussia, Germany, have agreed to divide their big estates in order to provide land for peasant homesteads. This decision is considered of revolutionary importance for the German East. And it marks a victory for the Nazi program of creating "a land of peasants rooted in blood and soil."

Russia's Harvest Season

Soviet Russia has about finished her late summer harvesting. The wheat crop is reported to be the largest in years. It is more than ample to supply the 180,000,000 Russians with food this winter, that is, if the Soviet government does not repeat

its frequent mistake of shipping too much grain abroad in order to pay for large shipments of foreign machinery into Russia.

World Wheat Pact

After four months of patient effort an agreement has been signed by twenty-one nations to curtail the production of wheat, thereby reducing the huge surplus which hangs over the world market. All the leading wheat countries—United States, Canada, Argentina, Australia, Danubian States and Russia—are included in the plan. Not only have the countries agreed to restrict the production within their borders, with certain modifications, but they have also agreed to limit their exports so that the world market will not be flooded with the grain such as it has been for the last several years. Moreover, when the world price of wheat shall have been maintained for four months at sixty-three cents (in gold) a bushel, the various countries have promised to lower their tariffs on the grain. (The world price is now fifty-five cents in terms of gold.)

This international agreement means a great deal to Henry Morgenthau, Sr., the head of the American delegation at the wheat conference. He has worked untiringly to bring about this coöperation among the nations.

Tennessee Valley Authority

Fifty-five towns and villages in six states have applied to the Tennessee Valley Authority for the right to purchase government-generated electric power. These places, in Alabama, Georgia, Kentucky, Missouri, Mississippi, and Tennessee, have an aggregate population of about 300,000. They will form the backbone of the government's power transmission system in the Tennessee Valley.

Through the distribution of cheap power, the government hopes to promote social and economic improvement over the whole valley. If private power companies do not reduce their price of electricity to that which the government feels is fair, the government will go into the business itself. But if private power companies are willing to accept a limited amount of profit, the government will merely adopt a supervisory capacity.

Italo-Russian Treaty

Italy and Russia have completed negotiations for a pact of non-aggression and neutrality. The treaty will be signed at once. The most important provisions are: Exclusion of any armed conflict between Italy

and Soviet Russia; no aid is to be given a third country with which either signatory may find itself in conflict; exclusion of economic blockades, embargoes or special customs provisions.

Russia is particularly pleased with the treaty because Soviet officials believe it proves that Premier Mussolini does not entirely approve the policy of Hitlerite Germany toward German communists.

Stern Measures

Adolf Hitler, iron chancellor of Germany, who only a year ago became a German citizen, has issued a decree depriving thirty-three prominent Germans of their citizenship and also confiscating their property. One of the affected Germans is Philipp Scheidemann, first chancellor of Germany after the World War. The rest are former Reichstag members, authors, editors, publishers, lawyers and officials of Prussia and the Reich. They had all been exiled before the recent decree was issued because of their outspoken criticism of the Nazi régime. The property which was taken from these thirty-three men amounts to over \$5,000,000.

U. S. Seeks Insull's Return

Samuel Insull, former head of the wrecked Insull Utility Empire, the collapse of which resulted in enormous losses to thousands of American investors, has been placed under arrest in Athens, Greece, at the request of the United States government. Mr. Insull fled to Athens some months ago when it appeared certain that he would be sent to the penitentiary on a number of charges concerning his financial operations. Efforts have been made since that time by Illinois authorities—the state in which his business activities centered — to bring him back to this country for trial, but this has been impossible because of our extradition relations with Greece.

Now, however, the federal government has entered the scene and President Roosevelt signed a warrant for Mr. Insull's arrest a few days ago. It will be a matter of several days before Greek officials have had time to decide on the legality of this government's request for Mr. Insull's extradition. In the meantime, Mr. Insull will be detained by the police.

23 States for Repeal

On August 26, Texas became the 23rd state to join the wet column. A two-to-one vote in favor of repealing the eighteenth amendment was cast by the Texans. This state, which has been one of the leaders of prohibition for years, is also the home of Senator Morris Sheppard, one of the authors of the eighteenth amendment.

It is considered likely that the thirty-six necessary ratifications will have been voted by November 7. However, since six of the constitutional conventions will not be held until after December 6 it will be impossible for repeal to go into effect until after that date. But it is virtually certain that the eighteenth amendment will be a thing of the past well before Christmas.

Jews Flock to Holy Land

Palestine, known as the Holy Land, is becoming the haven for Jews who are being driven out of Germany. Although Palestine is only the size of Vermont, it can support a fairly large population because of its fertile land. Agriculture is the chief occupation. As a great many of the Jews migrating there from Germany are industrialists, however, Palestine may now make progress along commercial lines.

NRA Interests England

England is keeping a vigilant eye on the Roosevelt administration's recovery program. Although high officials of the British government declare that England will not adopt a large program of public works as a means of providing jobs to the several million unemployed Englishmen, there is a growing opinion among English newspapers that such a policy will be forced upon their government if our program succeeds. And, it is said, the English people are following very closely the progress of the National Recovery Act.



—By Burton Holmes from Ewing Galloway

AUSTRIA AND HER NEIGHBORS BEFORE AND AFTER THE PEACE TREATIES

The AMERICAN OBSERVER

A Weekly Review of Social Thought and Action



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Education Faces the New Corporate Society

The people of the United States are entering upon a new era in economy and social thought. The age of historic individualism is drawing to a close and the age of collective action is opening. The age in which each farmer, banker, manufacturer, trade unionist, and shopkeeper could do as he pleased "with his own," regardless of consequences to others, has passed. It has passed in fact. All economic activities are now knit together in a tight web, and every fundamental measure of governmental policy is based on that collective reality. The old conception is passing in contemporary opinion. Throughout the country thoughtful people, high and low, are recognizing the close interdependence of society; and measures of government bear witness to this movement in knowledge and opinion.

Between March 4, 1933, and the present moment, the Congress of the United States has enacted and the Roosevelt administration has elaborated the most drastic, deep-reaching and revolutionary body of legislation in the history of the country. All of this legislation is based on the idea of collective action and responsibility. It does not deny the existence of the individual or the utilities of individual action, but it looks to collective interests. Individual activities in economy contrary to the common good are being placed under the ban of law, and those directed to common good are being fostered and approved. Hundreds of statutes, federal and state, and thousands of administrative decrees bear witness to the transformation.

Is all this transitory? Are we to return to "normalcy," booms and stock speculation? Doubtless there will be reactions against collective control, and another period of business inflation may set in. But if experience means anything, such a period will be followed by another explosion, with the usual disastrous consequences, and by renewed efforts to cope with the problem thus presented to the nation. Hence, taking the long-time view of the situation, it seems reasonable to insist that the country should prepare itself for these momentous changes by more intensive study, research and thought.

The National Education Association, at its recent Chicago meeting, has wisely recognized the nature of the crisis and called upon its membership to give increasing attention to the social studies—to those branches of knowledge dealing with history, economics, politics and

sociology. Hitherto, emphasis in education has been laid on preparing boys and girls for the competitive vocational battle. As long as the country could supply them with multiplying opportunities, it was not necessary for the schools to give much attention to the social sciences—the sciences of coöperative, collective relationships. But that old era has come to an end. The National Education Association takes official note of it. And all concerned with education will take note of it, and must take note of it, if they are to keep abreast current events and assume their due responsibilities to the society which sustains them.

For these reasons, no textbook can now provide sufficient materials for the study of American life in transformation. Events move too swiftly for the book makers. The scholarship necessary to make good books must be daily employed in reporting and interpreting significant events, decisions, action, and achievements in the wide spread efforts of people and governments to establish a reasonable security and stability in American life, to make a civilization more worthy of the name. Here is a new obligation for teachers and pupils—a heavy obligation, which cannot be put lightly aside.

CHARLES A. BEARD.

Vanishing Trade

The chart, prepared by the United States Department of Agriculture, which we reproduce on this page, tells vividly the story of declining world trade. It shows in particular how our exports of wheat have fallen off, but the same sort of chart could in like manner picture the vanishing trade in other commodities. The chart pictures something else—the raising of tariff walls around our own and other countries. The nations are closing their doors to foreign trade. They are not forbidding it altogether, of course, but they are discouraging it. Each nation is preparing to live to itself alone. The growth of this disposition is one of the most significant facts of the last few months.

In the United States voices which were raised against tariffs a few months ago are now, for the most part, silent. The reason is that we are trying to raise prices and wages in this country. That is one of the purposes of the National Recovery Act. But suppose we raise wages here, and, since labor costs are higher, the prices of products advance. Suppose that in some foreign country the wages do not advance and neither do prices. What would prevent the producers of that country from sending their goods to America and selling them at a lower price than our manufacturers can charge? Nothing but a tax on the importation of the foreign goods, the protectionists argue—nothing but a tariff.

It need not be supposed, however, that our increasing prices under the NRA will permanently check foreign trade. If our people become more prosperous, they will have greater purchasing power. They will buy more foreign goods—goods, perhaps, of a variety not made in America. This will help foreign business. It will help foreigners to better times. When better times come to them their prices also will rise and we will compete again on more nearly equal terms. Trade barriers may then be broken down and trade may revive.

That seems about the best we can hope for. Meanwhile, the destructive tariff war among nations continues to paralyze trade and to force peoples into isolation.

A National Disgrace

The St. Louis *Post-Dispatch* calls for a determined war on crime as a necessary measure of national recovery:

Right now, the administration is engaged intensively and almost exclusively in the economic recovery. But the criminal and costly institution of racketeering is an obstacle which will have to be removed before business can draw the full, deep breath of recovery. The partnership between the gangster and the professional politician, directed by their menacing guide, philosopher and friend, the unscrupulous lawyer, is as a deadly plague to normal economic and industrial existence. Its continuous threat to personal and property security is an intolerable tyranny, once public opinion is aroused.

The pronouncement of William Howard Taft, in an address to the American Bar Association, was uttered so long ago that it has become historical, yet it is as pertinent an indictment today as it was when first delivered: "Criminal jurisprudence in the United States is a national disgrace." Indeed it is more than a national disgrace. It approaches a national terrorism, the beneficiaries of which are that black triumvirate, the professional politician, the gangster and the crooked lawyer.

True and False Patriotism

Dr. Harry Elmer Barnes, writing for the New York *World Telegram*, discusses the dangers of world peace which come from the teaching of narrow nationalism in the schools. In Germany, in France and in England, he says, boys and girls are taught the points of view of their own country, and the virtues of other peoples are ignored. American school textbooks, Dr. Barnes says, "have achieved in recent years a unique degree of fairness in dealing with our history and our relations with our neighbors." He finds evidence that the textbooks here do less to glorify war than they formerly did. He says:

A college professor and a high school teacher have made a study of eleven leading history textbooks used in our schools.



—Eiderman in Washington Post

A REAL PROBLEM

They find that there is not as much space as formerly devoted to our wars. They particularly stress the slight space given to the World War. One book, for example, gives only 3,187 words to the World War, and Paris is the only city mentioned by all eleven of the books in connection with the World War.

Such news may disturb obsessed exponents of the military cult, but it will not disquiet the souls of sensible people who recognize in war the major scourge of the race today. If nationalism and militarism are subsiding in the schools of our country it is cause for great satisfaction.

Now that the world has gone on a rampage of economic and political nationalism the schools have greater reason than ever for maintaining some balance. There is much alarm expressed lest a tariff revival, increased armaments and the isolationist policies of governments will promote war; but, dangerous as these may be, the teaching of narrow nationalism and super-patriotism in the schools of today is far more menacing to the peace of the world.

Accident Prevention

The Baltimore *Sun* doubts whether the publication of accident figures, together with the causes of accidents, has much effect in the encouragement of careful driving. It suggests a more drastic remedy:

Study of the tables shows that one out of practically every five of the accidents was due to failure to give right of way. What happens in these cases? Would it not be possible to take some such simple cause of accidents and see whether imposition of the severest penalty permitted by the law upon guilty drivers would not bring about reduction in this particular offense? No progress will be made in increasing safety on the highways for pedestrians and others unless operators of motor vehicles are made to fear the law.

The only war I ever approved of was the Trojan war, it was fought over a woman and the men knew what they were fighting for.

—William Lyon Phelps

"Greenland Flight Reveals New Land." Plough it under, or it will shatter the market for Greenland real estate.

—New York Times

A German rosarium has after years of experimenting succeeded in producing a black rose. Now the pessimist can agree wholeheartedly with his optimistic friend who speaks of his outlook for the future as rosy.

—Christian Science Monitor

There is no headway to be made by those who try to show that the Blue Eagle will not function. People in the past have wasted valuable years of their lives in trying to prove that such things as airplanes and radio were impractical.

—Washington Star

A noise-proof car has been successfully tested on one of the New York subway lines, but, unfortunately, city dwellers cannot live all the time under ground.

—Lowell Evening Leader

The shops in Sing Sing made \$250,000 last year, showing how industry can be put on its feet when you call in a few bankers.

—Dayton Daily News

The weather and my mood have little connection. I have my foggy and my fine days within me; my prosperity or misfortune have little to do with the matter.

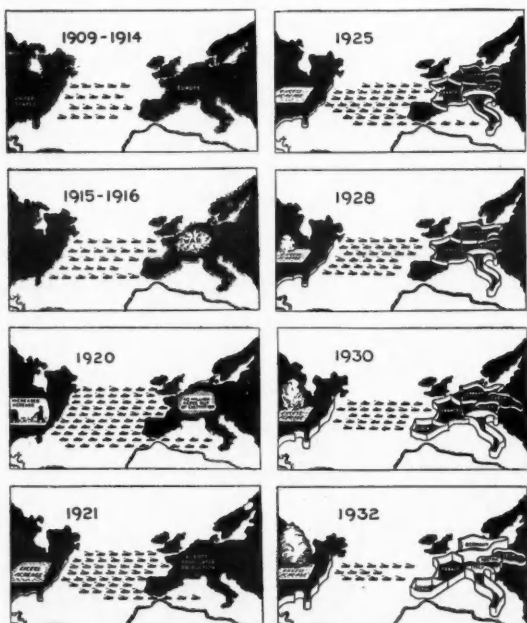
—Pascal

I believe unqualifiedly that school men and school women should get into politics and get in effectively.

—Charles H. Judd

Most men hate the discomfort of thought; and there are few alternatives they will not embrace rather than be drawn to its exploration.

—Harold J. Laski



—Courtesy U. S. Department of Agriculture

FENCED OUT: WHY WE MUST CONTROL PRODUCTION

Every boat in the picture represents 50 million dollars of agricultural exports. Notice the rise to an immense export in 1920, the slowly dwindling shipments, artificially sustained over rising tariff barriers, until around 1928, and the crash in our exports after 1930, when we had stopped loaning Europe money.

Stallings Depicts Horrors of Warfare

Pictorial History of Tragic Conflict Builds Smashing Case for Peace

"THE First World War"—a photographic history edited by Laurence Stallings (New York: Simon and Schuster, \$3.50)—is one of the most terrific indictments of war which was ever prepared. It is not that there is argument or propaganda against war. There is no argument at all. The book is made up of pictures, photographs of war scenes. As one turns the pages, he is introduced to the reality of war—war with all the dirt and death and disorder and sorrow and hate that accompany human conflict. The compiler of these pictures has not avoided the glorious side of war, insofar as there is a glorious side. The parades are there and the waving of flags. There are photographs of the newspaper headlines which proclaimed the events at the time as so glorious. But when alongside of these pictures of glory one sees the evidences of stark destruction and grief the glory scenes turn into bitter irony.

There are pictures here of all phases of war activity. There is the marching away to battle, the patriotic meetings, the battle scenes themselves, the ghastly evidences left upon the fields when the fighting has ceased or even before. There are scenes of destruction, prison camps, the return of soldiers. There are scenes of famine, of riot and suffering. Finally, at the end, there are four pictures, each labeled, "1933." Each of the four is a picture of a great mass of humanity, military in aspect. Inset in each picture is the likeness of a man. In one it is Hitler, in another it is Mussolini, in a third, it is Stalin, and in a fourth it is Mustapha Kemal Pasha—the four dictators which appear to be among the most tangible of the war's results.

Economics Made Easy

"Dollars and Sense" by Irving Brant. New York: John Day. \$1.50

"It would be considered strange," says the author of this book, "if American newspapers printed all news about France in the French language, all news about Russia in the Russian language, and all Japanese news in Japanese ideographs. Yet they are doing something just like that. They are publishing Financial news, which today is the most absorbing topic before the country, in the Financial language, and apparently expect it to be understood." He goes on to say that his book is a translation from the Financial into the American language. It must be said that it is an excellent translation. The author takes up such problems as the gold standard, inflation, the National Industrial Recovery Act, money, public works, public debts, the devaluation of the dollar, war debts, the tariff, farm relief, and taxes, and treats each subject by means of a series of questions and answers. The questions are short and simple such as a plain person with little knowledge of the subject might ask, and the answers are short and simple and clear. Questions such as inflation and the war debts are treated so simply that the essence of them can be easily understood by this question and answer method. The average high school student will have no trouble in understanding the ex-



FROM THE JACKET DESIGN OF "AT THE SIGN OF THE LAME DOG"

planations. Not only are the answers simple but they are also sound from an economic viewpoint.

English Country Life

"At the Sign of the Lane Dog" by R. H. Mottram. Boston: Houghton-Mifflin Company. \$2.50

ONCE in a while we find a novel which has value from the historical, geographic, or social viewpoint in that it pictures well the life of a people or an age. "At the Sign of the Lane Dog" is such a book. It is an interesting and enjoyable story of country life in England, centering around an old inn called the "Lane Dog." It shows the changes which have been going on and still continue in the life of the English people.

The Cuban Problem

"The Crime of Cuba" by Carleton Beals. Philadelphia: J. B. Lippincott Company. \$3.00

It is fortunate that at a time when attention has been directed to Cuba by the revolution a book should appear which

gives such a complete and authoritative background for the Cuban disturbance. Mr. Beals describes at length the economic plight into which Cuba has fallen. He lays the blame upon American financiers who have gained control of the sugar industry, of the tobacco industry, together with banks, railroads and other forms of Cuban property. Americans practically own Cuba, and in order to secure favors which will help the value of their property they have schemed and manipulated with Cuban governments and politicians. The American government, according to Mr. Beals, has on many occasions followed the wishes of American financiers. The result has been the ruin of Cuba economically and politically.

This whole story of American meddling, of the barbarity of Cuban officials, particularly of Machado, is told. There are a few inaccuracies, but on the whole the book is dependable. It furnishes a telling indictment against American policy in Cuba and it presents a striking picture of the present situation. It was written just before the overthrow of Machado.



THE CUBAN SUGAR INDUSTRY, THE CONDITION OF WHICH IS THE OCCASION OF UNREST, ACCORDING TO CARLETON BEALS IN "THE CRIME OF CUBA."

FROM CURRENT MAGAZINES

"The Elite in a Democratic Society," by Harold J. Laski, *Harper's*, September. A democracy must have leadership. It needs men who devote themselves to planning for the public good—a true elite. They must be independent and must not care for wealth or office. They must have courage and the critical temper. Such leadership is not likely to be found among elected persons, since office seekers subordinate truth to expediency.

"Redraw the Map of Europe?" by Albert Guerard, *Current History*, September. Germany is demanding a revision of the peace treaties and a redrawing of boundary lines. So is Italy. So are many liberals in other countries. But a redrawing of any boundary would produce new injustices and would create new bitterness. No territorial solution in Europe would be satisfactory. It would be far better if the nations should agree to accept the present lines as permanent. Then better feeling might develop, and eventually an internationalism that would render the boundaries unimportant. This article makes a strong case against revision.

"A Community Learning How to Play," by Ruth A. Lerrigo, *Survey*, August.—The recreation division of the Department of Education in Newark, New Jersey, is extending a unique service. It is not only encouraging recreational activities among school students but also among children too young to go to school and adults. It is attempting to teach the entire community the art of enjoying life. Playgrounds equipped for all ages are included in the plan. Adult activities tend to develop around the "club" scheme. Clubs and associations of every description have been formed. By cooperating with community social agencies, such as the Y. M. C. A. and Y. W. C. A., the recreation department has been able to furnish every type of athletic and social facility to the people of Newark. Choral and orchestral groups have been formed, in addition to the network of clubs and classes. The problem of recreation, which has been made difficult by the development of large industrial cities, is being handled scientifically and practically by the Department of Education in Newark.

"Hitler Will Stay," by Clifford Sharp, *Living Age*, August.—Hitler's popularity is now so universal in Germany that even if all his Brown Shirts and Steel Helmets were to be disbanded tomorrow he would still be easily the strongest man in Germany. He has lifted the German people out of their apathy into a spirit of fire and enthusiasm. They are now united in a single cause—that of rebuilding a great nation. They do not want war. They fear it. All they desire is to be left alone to restore their economic life. Hitler is an able leader and unless some unforeseen development arises, we are in for a long era of Hitlerism.

"National Municipal Review," August.—"Opening of Chicago schools will be postponed for two weeks this fall to save two million dollars in salaries and other expenses. The sacrifice of two weeks' schooling may not be so serious in itself, but it's a dangerous precedent. If two weeks will save two million, then four weeks will save four million. And where do we stop?"



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HENRY A. WALLACE

Sec'y. of Agriculture Is Farmer-Scientist

Wallace's Experiments Have Done Much to Improve Corn Production

If there is one man in Washington who knows the farmer and the farmers' problems it is Henry A. Wallace, secretary of agriculture, who is charged with the gigantic task of restoring prosperity to the people who till the soil. Secretary Wallace's people have lived on the land for generations, and his father, the late Henry W. Wallace, was secretary of agriculture under Presidents Harding and Coolidge. Young Henry grew up in Iowa when corn was a treasure as valuable as gold, and when things were booming in the West. He studied corn as he did his A-B-C's, and soon took issue with some of the things his teacher taught. In those days prizes at county fairs were awarded to the fattest and prettiest ears, and the inquisitive, scientific future cabinet member wanted to know what advantage they had over smaller and thinner ears. The pedagogues smiled disdainfully at him, and told him to take a sample of the prize-winning ear home, plant it and see the difference between that and ordinary ears.

The boy did, and found no difference. Sometimes the ordinary garden variety of seed turned out bigger and better than seed from the prize-winning crop. That set him to thinking and studying and experimenting. He set aside one corner of his corn patch as a laboratory, and tried experiments in cross-breeding. His accomplishments rank as high in the field of agriculture as those of other great scientists do in medicine, chemistry and the like. He increased the average yield of corn by from three to eight bushels an acre by his discoveries, and by spreading the gospel of scientific breeding of corn he taught the Middle West to do the same.

In his early thirties, when his father was summoned to Washington as a cabinet member, the son assumed charge of the family newspaper, *Wallace's Farmer*. He did not hesitate, while editor of this journal, to criticize severely the administrations under which his father worked. He had his own progressive ideas and stuck to them. He is now having the opportunity to put his theories into practice—theories which have won the enthusiastic support of President Roosevelt.

He is going about his job with a vigor which has not been seen in the Department of Agriculture for many years. He believes firmly in a new deal for the farmer and is convinced that such action must be one of the basic elements of national recovery.

Government Acts to Better Housing Conditions With Public Works Fund

There has always been a touch of romance and curiosity connected with slum districts. Persons going to New York, Chicago, or some other large city for the first time make special trips to the undesirable parts of town, as "slumming" has been quite the fashion. The poorer districts in a person's own community, however, do not excite his curiosity and interest. And yet one has only to look about him in order to see how many families in his community are badly housed. There are few cities or towns in the country which do not have their slum districts and their sections of old, dilapidated houses. Conservative estimates place the number of people who are improperly housed at 60 per cent of the entire population.

In the past, such matters as seeing that people were living in comfortable and healthy quarters did not come under the authority of public organizations. It was left entirely to private enterprise. But the belief is coming to prevail that when more than half the population of the nation, possessed of great natural wealth, does not have adequate housing facilities, something should be done about it.

The national government is aiding in the solution of this serious problem. A housing division has been created by the Federal Emergency Administration of Public Works. This division will study all housing projects which request loans from the \$3,300,000,000 Public Works Fund. It is headed by Robert D. Kohn of New York, former president of the American Institute of Architects. His intimate knowledge of the housing problem, his experience and his standing as an architect and city planner render him an extremely valuable man for this job. After but a few weeks at his newly acquired task he has approved loans to five private housing corporations located in Boston, New York City, Brooklyn, Philadelphia and Hutchinson, Kansas. Loans are being considered for 35 other housing enterprises in various states.

To obtain loans from the Public Works Fund, a private corporation must submit a draft of its housing plans to Mr. Kohn's division. This draft must show that a limited amount of profit is to be derived from the proposed housing project.

In addition to loaning money to individual corporations, the Public Works Administration is also authorized to make loans and outright grants to states, municipalities or other public bodies which wish to build better homes for their poorer citizens. The grants would amount to 30 per cent of the total cost of the projects. It may be felt by some people that if public bodies enter the housing business with a government subsidy of 30 per cent in addition to a loan, unfair competition with private corporations will most surely be

the outcome. But it is pointed out by housing officials that public agencies will be given grants to provide better living quarters only for those who cannot be housed by any other agencies.

However, only 13 states, and the communities therein, are eligible for loans from the national government for housing projects, as only that number have housing laws. And only those states which permit public agencies to enter the housing field, or to limit the profits of private housing corporations, can obtain loans from the federal government. The states having such laws are New York, Ohio, Texas, Arkansas, California, Delaware, Florida, Kansas, Illinois, New Jersey, North Carolina and South Carolina.

At a recent national conference on housing held at Cleveland, which some 500 men and women attended, all states were urged to pass housing laws as quickly as possible in order that they might take advantage of the federal government's assistance in demolishing their slum districts and in building more healthy living quarters for the masses of people. These discussions and findings of the Cleveland housing conference have been published in book form, and for those desiring to learn what authorities have to say on the subject, we recommend "Proceedings, National Conference on Slum Clearance," by John H. Millar. This book may be had at most libraries.

CONSTRUCTIVE CITIZENSHIP

Waterloo, Iowa, made the depression an occasion for constructive leadership on the part of her citizens. Here is the story of what a Citizens' Council did as it is told by the Committee on Citizens' Councils for Constructive Economy:

The attractive little city of Waterloo, Iowa, has a slogan, "Waterloo Way Wins." The slogan tells nothing concerning the city itself—it does reveal something of the spirit of its citizens. When the problem of unemployment relief became acute in Waterloo, a Citizens' Council composed of representatives of seventeen civic organizations was formed to deal with it.

Waterloo was not satisfied to deal with unemployment alone—in common with many other municipalities, it wanted to make its expenditures for unemployment serve some permanent, useful benefit for the community. So it tackled the job of preparing plans and specifications for two of the city's greatest needs—a sewage disposal plant and dikes to keep the river under control in flood time.

This was before the passage of the National Industrial Recovery Act, and the Citizens' Council of Waterloo was not counting on help from Washington. There was no money in the municipal budget for its purpose; money could not be borrowed, but that did not stump the Citizens' Council of Waterloo. The original plan called for the issuance of scrip to finance these projects. The resourcefulness of this group is an indication of what may be accomplished by this new technique of pooling civic intelligence and energy.



A MODERN HOUSING DEVELOPMENT IN RADBURN, NEW JERSEY



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LELAND O. HOWARD

Howard Built Career On Youthful Hobby

Renowned Entomologist Developed Early Interest in Insect Life

One winter, about sixty-eight years ago, a small boy of seven years who lived in Ithaca, New York, was sent by his parents to visit an aunt in Long Island. While there he met two other boys who were collecting cocoons. They told him that in the spring beautiful moths would come from the cocoons. The young visitor became interested and when it was time for him to return home he took a few cocoons back with him. The following spring he was entranced to see living insects emerge from the dead-looking objects he had collected.

This live-minded youngster was Leland O. Howard, recently retired head of the Bureau of Entomology of the Department of Agriculture, and one of the foremost entomologists this country has known. He is an example of a man who found his career early in life by developing a boyhood hobby. Instead of allowing his interest to wane, he made it a point, as a boy, to learn all he could about the many kinds of insects he collected. He became so wrapped up in his hobby that when the time came for him to enter Cornell University he wanted very much to study natural history. But his parents wished otherwise and in deference to them he began a course in civil engineering. However, his deep attachment to the insect world proved too strong and after failing in his mathematics examinations he determined to become an entomologist in spite of all the advice he had received to the contrary.

From then on his rise in his chosen field was rapid. Soon after his graduation from Cornell he went into the government service where he remained for fifty-three years. A large part of this time he was head of the Bureau of Entomology. Dr. Howard has really been responsible for the developing of the bureau into a vital, serviceable unit of the government. His work has won acclaim from scientists in all parts of the world and the benefits which have been derived therefrom are incalculable. He now lives quietly in retirement but is still, of course, more interested than ever in the hobby he formed many years ago. He has written, among other things, two books which will make fascinating reading to all who would like to do the things he did. One of these is "The Insect Menace" a study of the ravages caused by insects, and the other "Fighting the Insects" which is the story of his life.

Labor Makes Gains Under N.R.A. Codes

(Concluded from page 1)

lion owners. These owners are scattered all over the country. Some of them have a large number of shares, others a small number. These owners, let us say, of the United States Steel Corporation, do not see the corporation's mills. They do not see the workers whose lives are spent in the steel plants. They do not think anything about the mills or the workers. They think of but two things which are closely related—the dividends or profits they receive on the money they have invested and the market value of the shares of ownership they own.

Relations to Workers

The men who actually manage the mills depend for their own individual advancement upon the amount of money they make for the stockholders. If they carry out a humane policy toward the workers, the stockholders will not know or care anything about it. If they lose money or do not make the accustomed profits, the stockholders do know about it and will demand a change. So the managers feel compelled to follow a policy which will make profits regardless of anything else. They are compelled to do this by a great impersonal force. They are inclined, therefore, to look upon the workers as machines out of which they are to get as much service as possible. Over the small groups of workers they put overseers or "pushers," and these "pushers" depend for their places upon their ability to get as much work as possible out of the men. And so it comes about that, regardless of the good intentions of those who own stock in corporations or of those who manage the plants, the attitude of the corporations toward the workers is likely to be a hard one.

When these managers of industrial plants see the workers forming unions so as to present a united front in demanding higher wages or shorter hours, they are annoyed. These demands, if granted, might create better conditions for the workers, might make them happier human beings. But that is likely to be a secondary consideration to those who direct the labor policy of the corporations. The demands of the workers may interfere with profit making. So, the companies usually oppose the formation of workers into unions. They have done this in nearly every case when they have been able to do so.

The Labor Army

Now let us consider the workers of the nation. Some of them have formed themselves into labor unions. They form into national organizations of men doing similar kinds of work. A representative of the union, then, can go to the employer and speak for thousands upon thousands of men. He has added strength, and he has bargaining power because the men are united, because they speak as one. But not all the laborers of the country have united into these national unions. Only about one-eighth of them have. Sometimes the failure to form unions is due to the lack of energy among the men or the lack of leadership. Sometimes it is due to the fact that employers offer such effective opposition. In the automobile industry, steel industry, certain sections of the coal industry, the owners refuse to allow the men to organize. If an employee joins a union, they fire him and they may even throw his furniture out in the street if he happens to live in a company-owned house.

Embitterment

In these cases, the men are generally embittered. Their lot is likely to be a hard one. Their work may not be efficient. Here is a picture of men working in a steel mill. It is written by one of the workers. The excerpts are taken from a recent issue of *The New Republic*.

Eleven hours, \$3.74 a day. The bulk of "contented labor" in Mr. Robert Lamont's "Republic of Steel" considers itself lucky to earn an occasional \$2.64 for an eight-hour day. Eleven hours. You toughen into it. But fatigue remains your enemy. Swing that

sledge; wheel that brick; push that mud-stick; hoe that cement—till pain stabs your arms and wrists and eats a hole in your side. Sweat cakes to your skin, bakes it on hard like a plaster cast.

You straighten up to ease your back.

"Hey, you, 771, what the hell's the matter there? Takin' a vacation? If you ain't going to work, go on down to the shanty and get your slip."

"All that pusher needs," mutters the Negro at your side, "is a whip."

longer. Make general rules as to hours and wages and perhaps even prices, and then all of you live up to those rules. The government not only permits you to organize, it will practically compel you to do so. In return, it will require all of you to establish a minimum below which you will not go in the payment of wages and a maximum beyond which you will not go in the matter of hours."



EMERGENCE

—Kirby in N. Y. WORLD-TELEGRAM

You divide the day into periods. At ten there are eight hours left. Now your muscles are limbered up; you work waiting for twelve, hoarding your strength, hitting a steady pace. Minutes crawl. At last the noon whistle; the day is about half over. Rest, food, a drink of water, warmth beside an open fire. You return to work refreshed, but your muscles have grown stiff. How that damned wheelbarrow drags! That sledge hammer weighs a ton. Now comes the horrible grind of the day. Eternity passes before the three-o'clock whistle blows. At four your buddy cries, "It won't be long now!" You hitch up your overalls, wipe the smudge from your eyes, and echo: "Yep, they can't kill us now."

NRA and Employers

Into this confused labor situation, with labor partly organized and partly unor-

The government also says to these employers: "You must permit your workers to form themselves into unions if they want to. You can no longer fire a man because he belongs to a union. The workers are entitled to speak to you through representatives of their own choosing."

The employers like part of this. They enjoy the privilege of forming trade associations. This will unite them and make them strong. It will allow them to eliminate some of the wastes of competition. It may allow them to fix prices and add to their profits. Many of the employers do not like the rule that they must allow their men to form themselves into unions.

Now, let us see what the government



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THE NRA SEEKS TO IMPROVE LIVING AND WORKING CONDITIONS

Victims of poverty in the coal mine sections. These children are obliged to go out and pick up coal to heat their homes.

ganized, with certain industries at peace with labor and others in a state bordering on warfare, comes the National Recovery Act. The government steps in and exerts a powerful influence in the determination of the conditions of labor. It also affects the organization of the owners. Here is what it does to the owners of industry. It says to them in effect: "Organize, form yourselves into trade associations, all of you companies engaged in the steel industry, or the textile industry, or any other industry. Do not act separately any

says to labor. It does not say, as it did to the employers: "Organize, form yourselves into unions, present a united front." It does not say: "We have organized the employers of the country so that hereafter industry will be controlled by a number of trade associations. Now we will insist upon the organization of labor so that the workers of the country will be organized into a series of trade unions." The government says only to the workers: "You may organize if you care to. The companies dare not any longer forbid you

from organizing, but we do not encourage you to organize. Do as you please. If some of you form into organizations and others do not, the companies are not required, necessarily, to deal with the unions. They must deal with somebody, but if there is a question as to whether the unions or the unorganized workers are truly representative of labor in a particular region, a vote can be taken to determine whether the union shall stand as the representative of labor or whether the unorganized workers shall."

A. F. of L. Attitude

In other words, the government insists upon the organization of employers. It is neutral on the question as to whether the workers shall organize. The leaders of the American Federation of Labor think that the recovery administration is making a mistake in taking that position. These men feel that the government should seek to bring about unionization everywhere. But it would be very hard for the government to do that because the owners of industry—industries like coal and steel and automobiles—would fight such a program bitterly. And their power is very great. Their opposition might upset the whole recovery program and, of course, President Roosevelt, General Johnson and other leaders of the NRA want to get the recovery work going. They probably feel that any injustices or inequalities which may now appear can be removed after the recovery program is under way.

Gains of Labor

And after all, labor has gained a great deal through the National Recovery Act. It has been given the right to organize and it is taking advantage of that right. Organizers are out everywhere bringing about the formation of unions in industries which have not had union labor. This work is proceeding rapidly. A representative of THE AMERICAN OBSERVER called at the national headquarters of the American Federation of Labor the other day and found the place a veritable mad-house of activity. It was reported that memberships in the unions were coming in so fast that their number cannot even be estimated. For that reason, the A. F. of L. leaders are hopeful. They are very friendly toward the NRA even though they have not secured yet all that they think they should have. They are impressed with the fact that child labor has been abolished and that wages have been raised among the more poorly paid. They think it important that the principle has been established that the workweek should be shortened.

Furthermore—and this is important—machinery has been created by which grievances may be redressed. If workers, whether organized or not, think they have not been properly treated, they can call upon the NRA officials and they are likely to get action. This has worked several times during the last month.

Remaining Problems

Here are some of the points that remain in question: In many industries, employers are still refusing to deal with the large unions. They form little unions composed of the men working in a particular company. These unions have no connection with workers outside the company. They cannot call in outside aid. They are, therefore, weak. They are called "company unions" and generally do what company officials tell them to do. Steel companies have heretofore refused to deal with any other kind of union.

It is charged also that the companies, in many cases, are violating the terms of the NRA agreements. In the textile industry, for example, they are allowed to pay wages at lower than the minimum rates to apprentices and "learners." In some cases it is said that they compel employees who have worked twenty years or so to sign papers saying that they are learners so that the companies may pay lower wages. And then, of course, there remains the big question as to whether the workers shall be assisted by the government to form themselves into national unions so that a trade union tradition shall be generally established in America.



Week by Week with the N. R. A.

Studies of the Government in Action



A WEEK before Labor Day, it appeared certain that when the holiday arrived one phase of the NRA program would have been completed. It seemed that the campaign to get the big industries of the country signed up under codes would be finished. All the larger industries except coal mining were already signed up.

The coal industry held out to the very last because conditions in that industry are so chaotic. There are hundreds of small producers of coal. They are scattered over a wide region. They produce under costs that vary greatly from place to place. All of them have for several years been producing more than they can sell. They have engaged in cut-throat competition, each trying to produce and sell as much as possible in order to pay their fixed overhead costs. They



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HUGH S.
JOHNSON

have undersold each other and brought the whole industry to ruin.

The workers operate at cross purposes. Some of them are organized and others are not. Some work at much higher wages than others do, but none of them are employed at anything like full time. It is hard in the case of this industry to find any set of men who clearly and definitely represent either the employers or the workers. Hence the great difficulty in arriving at a coal code. General Johnson used a big club, however, in bringing the representatives of this industry to action when he threatened that, if they could not agree among themselves upon a code, one would be written by the NRA and the coal industry would have to abide by it.

We have not the space here to analyze the different codes that have been established by the various industries. Nor is it necessary to do so. They differ naturally since they take account of the particular needs and problems of the various kinds of business. In general, however, the industry of the nation, operating as it does under sets of codes, establishes the following rules:

Code Provisions

Child Labor: After August 31, 1933, no person under sixteen years of age is to be employed, except that persons between fourteen and sixteen years may be employed (but not in manufacturing or mechanical industries) for not to exceed three hours a day, and they shall not work at night or during school hours.

Maximum Hours: In the case of accounting, clerical, banking, office, service, or inside sales employees, a maximum week of forty hours is established. Stores or service establishments which heretofore have been operating for fifty-two hours a week are forbidden to cut their hours of operation. This provision is put in so as to encourage the employment of more workers and to prevent the cutting down of services.

Mechanical workers and artisans may not work more than thirty-five hours a week as a general rule, though the number of hours may be raised to forty for any six-week period. This permits the canning industry and others which operate heavily at some seasons of the year to raise hours slightly during the rush season.

This restriction on hours does not apply to firms employing one or two persons in towns of less than 25,000 population. Executives and certain others receiving \$35 a week or more are exempted, and there are certain other exceptions.

Wages: A minimum of \$15 per week is established according to the general rule for cities of 500,000 or more; \$14.50 for cities of 250,000 to 500,000; \$14 per week for cities of 2,500 to 250,000; and for towns of less than 2,500, an increase of all wages by not less than twenty-five per cent provided that this shall not require wages in excess of \$12 a week. It is generally agreed that where wages are now in excess of minimum wages established under the codes the present higher wages shall not be reduced.

Prices: Prices are not to be increased more than is necessary, the increased costs of production taken into account.

These provisions and several others were included in the President's Reemployment Agreement, sometimes called the Blanket Code. The terms were modified in many cases when the codes for special industries were adopted. But the general spirit of this blanket code was retained in all the special codes for industry.

The Next Steps

Now that the codes are signed and industry is operating under the newly established regulations, the next step is to devise machinery to see that these provisions are enforced. Complaints have come in by the thousands that shops carrying the Blue Eagle are disobeying features of the codes. There has been little time so far to pay any attention to these complaints but General Johnson says in forceful language that action will be taken to prevent evasions.

Another problem must be faced. Prices are rising rapidly. In many cases, they are going up faster than wages are increasing. If this continues, wage earners will not be able to buy more commodities, as was intended by the authors of the NRA. They will be able to buy less than they had been buying before, and the whole purpose of the NRA will be defeated.

It is essential, therefore, that unnecessary price increases be prevented and action is promised along that line.

Meanwhile, consumers are taking it into their own hands to see that business enterprises fall into line with the recovery movement. They are organizing boycotts against shops which do not display the Blue Eagle. These boycotts have been encouraged by General Johnson. Thousands of women have offered their services to make house-to-house canvasses to induce families to buy only of Blue Eagle firms.

Public Works Program

Since the \$3,300,000,000 Public Works Fund was approved by Congress about ten weeks ago, more than one-third of this money has been allotted for various projects. If this pace is maintained the entire fund will be put into operation in less than six months.

The primary purpose of the public works program is to get men back to work and thus restore purchasing power as quickly as possible. It is being carried on simultaneously with the NRA drive to rehabilitate industry and business throughout the nation. When the National Recovery Act was approved at the special session of Congress, it was recognized that even if the smoke should begin to pour again from our factories, even if the wheels of industry should once more revolve, resulting in a renewed output of goods, purchasing power might be insufficient to enable people to buy the goods turned out by our factories. So a great program of public works was decided upon.

This program is supplying work to thousands upon thousands of men who for months have been carried on relief rolls. They are going to work on highways, bridges, housing projects, river and harbor work, public buildings, schools, waterworks, conservation projects, shipbuilding and a great variety of other enterprises. For

every man employed on these projects, it is estimated that two more are indirectly provided with jobs in other occupations which furnish the necessary supplies and equipment for carrying out these works. This necessarily means a tremendous stimulus to industry.

Secretary of Interior Ickes, who is also public works administrator, points out that although great speed has been used in putting this money to use, every precaution has been taken against waste and extravagance. However, Mr. Ickes contends, every cent of this money should be spent as soon as possible in order to take hundreds of thousands more men out of relief lines and furnish them with purchasing power so they can bolster up the industrial life of the nation. Once the ball starts rolling, Mr. Ickes believes, the men being employed by the government will be absorbed in industries.



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ICKES

The Saving of Homes

The government has established a policy of saving the homes of families in danger of losing them. It acts through the Federal Home Owners' Loan Corporation. This corporation has established branches in nearly every state. Home owners who are in debt, who have mortgaged their homes and who cannot pay the mortgages, may appeal to this corporation for help if the home is not valued over \$20,000.

Here is how the plan works: John Brown, we will say, is the owner who is in distress. He has borrowed money to build the home from Thomas Smith, who holds the mortgage. He cannot pay and Smith is about to foreclose in order to collect the money. Brown goes to the branch of the Home Owners' Loan Corporation which is located in his state. He tells his story. The bank investigates the value of his property, and then tells him that it will lend him bonds with which to pay Smith. He has been paying Smith 6 per cent interest and he will pay but 5 per cent for the bonds. Furthermore, he is given 15 years to pay the principal. Brown takes these bonds to Smith and says: "I cannot pay you in money, but I will give you the bonds in payment for the debt. I will then owe the Federal Home Owners' Loan Corporation instead of you, and this corporation, having taken over my debt, will owe you."

Smith may reply: "If I take these bonds in place of the mortgage which I hold against your home, I will get only 4 per cent interest instead of 6, for 4 per cent is what the corporation pays the mortgage holder. But I am not sure of the 6 per cent interest you owe me because you are not able to pay it. So, I will take the bonds. You are therefore free so far as I am concerned. The loan corporation, financed by the federal government, owes me the money and is paying me 4 per cent, the bonds being evidence of the debt and, of course, you owe the corporation."

Or, Smith may refuse to take the bonds. He may insist upon holding the mortgage. He may say that the 6 per cent looks better to him than the 4 per cent. As a matter of fact, many of the mortgage holders are unconvinced. So many of them are refusing to accept the bonds that the success of the home loan plan is in some doubt. If Smith refuses to accept the bonds, the Federal Home Owners' Loan Corporation may lend Brown the money outright in order to save his home.

Something to Think About

1. Make a list of the changes in the lives of ordinary citizens that may come as a result of the NRA program. Will these changes be for the better? What evidences do you see that out of the NRA experiment we may work toward a finer civilization?
2. Pick out some particular industry with which you are acquainted and make a study of its code. See how it differs from the blanket code described this week in *THE AMERICAN OBSERVER*.
If you wish material on the code of any particular industry write to The Editor, THE AMERICAN OBSERVER and you will be supplied free of charge.
3. Make a list of the gains to workers resulting from the NRA. Make another list of the gains to labor organizations. Tell why you do or do not think that labor has fared as well as employers.
4. What seems to you most interesting about the men whose personalities are sketched on page six? At what age did they begin to show promise of the work they were to do? Are you interested in anything which may develop into life achievement? Is there anyone in your community or state who is making a notable achievement? *If so write to the Editor, AMERICAN OBSERVER, and give a biographical sketch of this leader describing his outstanding characteristics.*
5. Has your community done any constructive work comparable to that of Waterloo, Iowa?
Write to THE AMERICAN OBSERVER, describing any notable achievement in your local community.
6. Make a statement of the case on German-Austrian union as it may appear to a German Nazi and as it may appear to a follower of Dollfuss in Austria. Explain the attitudes of the other nations which are involved.

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Do not fail to write to THE AMERICAN OBSERVER for information on any specific branch of governmental activity. We are cooperating with government officials in putting such material before the schools.